



9/13/01

Director
Office of Management, Budget and Evaluation/
Chief Financial Officer

Part Proposal

BPA's existing \$3.75 billion
(existing authority), contingent

FY 2002.

over a 10-year investment
(BPA) through the
under which the borrowing is
for projects and the timing of
the process of approving the

to OMB review and
budget. DOE's annual
review of BPA's proposed

authorized purposes.

under its Treasury obligation
under the following conditions.

and wildlife program
life. Beginning in FY 2002,
changes in the hydropower
allowed to accrue as

d. BPA can apply credits
and Bureau of

and Bureau of Reclamation power-purpose "appropriated debt" principle. (BPA's estimated FY 2001 obligations for payments on appropriated debt will total about \$310 million.) Credits would not be allowed to be applied against any other form of BPA obligation to the Treasury, including (1) transmission system principal and interest expenses, (2) unfunded retirement and health benefits liabilities and (3) principal and interest on the Tenaska judgment.



Printed with soy ink on recycled paper

Bonneville Power Administration Two-Part Proposal

Borrowing Authority

The Administration will support a \$1.125 billion increase to BPA's existing \$3.75 billion borrowing ceiling (a 30 percent increase in the existing borrowing authority), contingent upon the following:

- The additional borrowing authority will not be used during FY 2002.
- The Office of Management and Budget (OMB) must approve a 10-year investment plan, submitted by the Bonneville Power Administration (BPA) through the Department of Energy (DOE), which covers the period over which the borrowing is proposed to occur. The amount of borrowing for specific projects and the timing of funding those projects are subject to review as part of the process of approving the investment plan.
- The use of borrowed funds, submitted by DOE, is subject to OMB review and approval as part of the development of each President's budget. DOE's annual budget submission to OMB will include a detailed justification of BPA's proposed investments for the budget year and future years.
- Use of approved borrowing will be limited to currently authorized purposes.

Section 4(h)(10)(c) Credits ("Fish Credit")

The Administration will continue to accrue certain credits towards its Treasury obligation under Section 4(h)(10)(c) of the Northwest Power Act under the following conditions.

- Allowable costs. BPA can accrue credits for: 1) direct fish and wildlife program expenditures; and 2) capital expenditures for fish and wildlife. Beginning in FY 2002, replacement power expenditures required as a result of changes in the hydropower system operations to benefit fish and wildlife would not be allowed to accrue as credits.
- Obligations against which 4(h)(10)(c) credits could be applied. BPA can apply credits against its Treasury obligations for (1) Corps of Engineers and Bureau of Reclamation power-purpose "appropriated debt" interest and (2) Corps of Engineers and Bureau of Reclamation power-purpose "appropriated debt" principle. (BPA's estimated FY 2001 obligations for payments on appropriated debt will total about \$310 million.) Credits would not be allowed to be applied against any other form of BPA obligation to the Treasury, including (1) transmission system principal and interest expenses, (2) unfunded retirement and health benefits liabilities and (3) principal and interest on the Tenaska judgment.

August 15, 2001

Discussion of Fish Credit proposal: This proposal would give BPA substantial credits in FY 2001 and future years. However, not allowing credits beyond FY 2001 for fish and wildlife-related purchase power expenses would address a long-standing policy concern that allowing such credits suggests that BPA is entitled to some baseline level of water flow to generate power, which it is not. Applying the new criteria for allowable costs after FY 2001 would ensure that the Administration does not change the "rules" on BPA in the middle of a fiscal year. However, the new rate period, which begins October 1, 2001, is an appropriate time to put in place revised policies.

In the first several years of applying 4(h)(10)c credits, BPA applied its credits against payments to reimburse the Corps of Engineers and Bureau of Reclamation for operations and maintenance expenses they have incurred. However, BPA now directly funds the Corps and the Bureau for these O&M activities rather than reimbursing the Treasury for the appropriations made to the Corps of Engineers and the Bureau of Reclamation for this purpose. As a result, over the past two years, BPA has applied its credits against other forms of Treasury obligations, specifically its revenue bonds and its appropriated debt for Corps or Reclamation power projects. In FY 2001, given the substantial increase in potential credits, BPA has proposed to apply credits against all forms of Treasury obligations. The proposed limitations noted above reflect preliminary conclusions on which obligations BPA might be authorized to apply credits. These proposed limitations should be considered preliminary, pending completion of Treasury's ongoing analysis of these issues.

**PG&E National
Energy Group.**

PG&E National Energy Group and any other company referenced herein which uses the PG&E name or logo are not the same company as Pacific Gas and Electric Company, the California utility. These companies are not regulated by the California Public Utilities Commission, and customers do not have to buy products from these companies in order to continue to receive quality regulated services from the utility.

Fax Message

Date: Tuesday, August 21, 2001**To:** Steve Wright**Facsimile No.:** (503) 230-4018Jeff Stier202/586-6762**Phone No.:** _____**Company:** BPA**No. of Pages:** 2(including this one)**From:** Dave Robertson**Phone No.:** (503) 833-4611**Special Instructions:** FYI

If transmittal is incomplete or illegible, please call at (503) 833-4602.

Message:

Steve and Jeff:

We sent this letter to the VP last week on the Borrowing Authority issue. We had originally planned on signing onto the IPP's letter, spearheaded by Phil at Calpine, but we had some logistical difficulties. We sent our own letter anyhow. We've now sent letters to Cheney, Abraham and Daniels. We've also talked with Murray, Craig, Smith and Walden staffers to communicate our support for your request.

Please let us know what else we should be doing to help. Dave R.

CONFIDENTIALITY NOTICE

The information contained in this telefacsimile message is privileged and confidential, and intended only for the use of the individual(s) and/or entity(ies) named above. If you are not the intended recipient, you are hereby notified that any unauthorized disclosure, copying, distribution or taking of any action in reliance on the contents of the telecopy materials is strictly prohibited and review by any individual other than the intended recipient shall not constitute waiver of the attorney/client privilege. If you have received this transmission in error, please immediately notify us by telephone (collect) to arrange for the return of the materials. Thank you.



Washington DC Office 700 14th Street NW, Suite 250
Washington, DC 20001-4507
202.638.3500
Fax: 202.638.3522

August 14, 2001

Office of the Vice President
Eisenhower Executive Office Building
Washington DC, 20501

Dear Mr. Vice President:

I am writing to express PG&E Corporation's support for efforts to improve the Bonneville Power Administration's (BPA) ability to deliver electricity in the West. Specifically, we endorse the request for additional federal borrowing authority to allow BPA to finance transmission construction.

Significant progress has been made toward returning to a balance in electricity supply and demand in the West. PG&E Corporation's National Energy Group is contributing to this effort. Currently, we have more than 4,000 megawatts of electric generation in construction or development in the region, and we continue to look at potential plant sites. We also are upgrading our natural gas pipeline infrastructure to help ensure the new plants are fueled.

As new generating projects begin to come on-line, the situation in the West undoubtedly will improve from both a supply and price stability perspective. But to get that power to market, we must improve the region's aging transmission systems. We must begin that effort now so that the transmission capacity is ready when the generating capacity becomes available.

As you know, BPA operates one of the most important transmission systems in the West. Because of the broad interconnectedness of the Western System Coordinating Council grid, the ability of BPA to deliver power from Northwest facilities impacts reliability throughout the region. That said, we are very concerned that BPA's transmission system is not prepared to accommodate the new generating facilities now in development or construction in the Northwest.

We understand BPA needs to extend its federal borrowing authority so that it has the financial means to make critically needed transmission upgrades. We support this effort as an important component of the overall effort to solve the West's energy problems. We also strongly urge Bonneville to begin immediately to plan for transmission upgrades in the most critical corridors. Priority should be given to transmission serving areas where advance plant construction and development are underway in order that plants ready for construction can be assured that BPA will provide transmission service coincident with their completion.

Please don't hesitate to call me at any time if I can be of assistance to you.

Sincerely,

A handwritten signature in dark ink, appearing to read "John R. Hines".

cc: Honorable Robert C. Byrd
Honorable Ted Stevens
Honorable Harry Reid
Honorable Pete Domenici
Honorable Larry Craig
Honorable Conrad Burns
Honorable Diane Feinstein
Honorable Patty Murray
Mr. Stephen Wright

BONNEVILLE
POWER ADMINISTRATION



Washington D.C. Liaison Office
Forrestal Building, Room 8G-061
1000 Independence Avenue, S.W.
Washington, D.C. 20585

2:25 pm. et.

TO: Steve Wright

Phone: 503-730-5101

Fax: _____

COPY ALSO SENT TO:

Mary Hurler / separate

J. M. Carter / for

Date: 7/3/2001 - Tuesday

Number of Pages including cover sheet: 15

FROM:

- ☐ Jeff Stier
- ☒ Roger Seifert
- ☐ Nicole Morgado
- ☐ Crystal Ball
- ☐ Bill Marlowe
- ☐ Sheron Jones
- ☐ Niki Moore

Phone: (202) 586-5640

FAX: (202) 586-6762 or 6763

Internet: _____@bpa.gov

☐ URGENT ☐ REVIEW/COMMENT ☐ REPLY ASAP ☒ FYI

REMARKS: Steve per your request, attached are the communications Congressman Norm Dicks to the BPA DC office. Pages 2 & 3 were the 6/22/01 Dicks memo to CBO proposing BPA borrowing authority bill language and memo on scoring; pages 4 & 5 were the CBO scoring response to Dicks 5/17/01 @ 3:14 PM. F72002 cap "may result in a very small savings" in F72002 and outyear BA/BO. Pages 6 and 7 show existing Gramm-Rudman-Hollings budget law (Section 257(b)) re. re-basing of outyear BA & BO for new direct spending.

Committee on Appropriations
U.S. House of Representatives

Memo

Date: June 22, 2001

To: Lisa Cash Driskill
CBO - Scorekeeping

Fr: Cong. Norm Dicks

Subj: Scoring of Bonneville Power borrowing authority language.

Following up on our phone conversation I wanted to share with you our new language and our views on the two scoring issues of concern. The first of these is what the cost will be in FY 2002 discretionary spending against the Subcommittee's 302(b) ceiling. The second question is how future year costs of this proposal would or would not be scored against future year 302 discretionary ceilings.

In analyzing the scorekeeping questions, I would note that the language which is proposed includes two substantive changes in existing law. The first part, which is identical to language you have previously seen, raises the existing cap on BPA Treasury borrowing authority by \$2 billion from its existing cap of \$3.75 B. The last sentence of this language, which we shared with you yesterday evening, inserts a proviso which by law ensures that BPA will not accelerate its borrowing in 2002 above the amount assumed in the president's budget and your baseline under existing law (i.e. \$374.5 million).

Our views of the scorekeeping implications are as follows:

- **FY 2002 discretionary cost** - It is our view that the last sentence makes clear that the FY 2002 cost of the proposal is zero because it assures that none of the new \$2 B of borrowing authority being created will be used in 2002. Nor will this proposal result in accelerated borrowing in 2002 beyond that which would have occurred under existing law. BPA will operate during 2002 entirely

2

within the existing cap of \$3.75 B with increased borrowing occurring entirely in the out-years beginning in 2003.

- **Future year costs scoring** – It is our understanding that this proposal will cause no future year charges against the Appropriations Committee's discretionary allocations for 2003, etc. This occurs because of the scorekeeping rule in place for some 20 years under which future costs of this type of indefinite (but capped) borrowing are accounted for as mandatory costs through a repricing of the mandatory baseline.

In summary, we believe that this language has no impact on discretionary spending in 2002 and that future costs will be scored as mandatory. I am anxious to note whether you agree with this scoring.

Please accept my thanks for all of your hard work on this complex but important issue.

Proposed bill language:

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for . . . ; and for the purposes of providing funds to assist in financing the construction, acquisition, and replacement of the transmission system of the Bonneville Power Administration and to implement the Administrator's authority pursuant to the Pacific Northwest Electric Power Planning and Conservation Act, an additional \$2,000,000,000 in borrowing authority is made available, under the Federal Columbia River Transmission System Act (16 U.S.C. 838) to remain outstanding at any given time; Provided, that the Bonneville Power Administration shall not obligate more than a net increase of \$374.5 million of its permanent borrowing authority in fiscal year 2002.

To : Jeff Stier

Fax Number :

Date : 06/25/2001

Pages : 2

Jeff

Here is the scoring from CBO.

Norm spoke with Lisa Driskill and Janet Airis at CBO to confirm it, and the subcommittee staff has done so also.

Fax Cover Sheet



Increasing the Borrowing Authority of the Bonneville Power Administration

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
BA	*	300	400	380	152
OT	*	60	230	370	380

2002-2006 Sum
BA 1,232
OT 1020

2002-2011
BA 1171
OT 1612

* Zero or less. The proposed \$374.5 million cap on BPAs borrowing authority for 2002 may result in a very small savings.

ollings

entage.

Senate
Budget
CommitteePrint
5 Repts
102-22

4/9/

(Supra B. Chomsky
St. 11/1/12
10/2/12)BPA
has
direct
spending
authority

But new
borrowing
authority is
"repealed"
or "repealed"
in the
outyears
as
direct
spending
is not
disfavored
spending

Gramm-Rudman-Hollings

529 § 257

SEC. 257. THE BASELINE.¹⁵¹⁹

(a) IN GENERAL. -- For any budget year,¹⁵²⁰ the baseline refers to a projection of current-year¹⁵²¹ levels of new budget authority,¹⁵²² outlays,¹⁵²³ revenues, and the surplus or deficit¹⁵²⁴ into the budget year and the outyears¹⁵²⁵ based on laws enacted through the applicable date.

(b) DIRECT SPENDING¹⁵²⁶ AND RECEIPTS. -- For the budget year¹⁵²⁷ and each outyear,¹⁵²⁸ the baseline shall be calculated using the following assumptions:

(1) IN GENERAL. -- Laws providing or creating direct spending¹⁵²⁹ and receipts are assumed to operate in the manner specified in those laws for each such year and

¹⁵¹⁹ Section 250(c) (see *supra* p. 374) defines "baseline" in substantial part by reference to section 257. For legislative history of section 257, see *infra* note 1565 (at the end of this section).

¹⁵²⁰ Section 250(c)(12) defines "budget year." See *supra* p. 377.

¹⁵²¹ Section 250(c)(13) defines "current year." See *supra* p. 377.

¹⁵²² Section 250(c)(1) (see *supra* p. 372) defines "budget authority" and "new budget authority" at least in part by reference to the definitions of section 3(2) of the Congressional Budget Act. See *supra* pp. 11-13.

¹⁵²³ Section 250(c)(1) (see *supra* p. 372) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

¹⁵²⁴ Section 250(c)(1) (see *supra* p. 372) defines "deficit" by adopting the definition of section 3(6) of the Congressional Budget Act. See *supra* p. 16.

¹⁵²⁵ Section 250(c)(14) defines "outyear." See *supra* p. 377.

¹⁵²⁶ Section 250(c)(8) defines "direct spending." See *supra* p. 376.

¹⁵²⁷ Section 250(c)(12) defines "budget year." See *supra* p. 377.

¹⁵²⁸ Section 250(c)(14) defines "outyear." See *supra* p. 377.

¹⁵²⁹ Section 250(c)(8) defines "direct spending." See *supra* p. 376.

(6)

§ 257 530

Gramm-Rudman-Hollings

funding for entitlement authority¹⁵³⁰ is assumed to be adequate to make all payments required by those laws.

BPA: 5
not exp. 7

(2) EXCEPTIONS. -- (A) No program with estimated current-year¹⁵³¹ outlays¹⁵³² greater than \$50 million shall be assumed to expire in the budget year¹⁵³³ or outyears.¹⁵³⁴

(B) The increase for veterans' compensation for a fiscal year is assumed to be the same as that required by law for veterans' pensions unless otherwise provided by law enacted in that session.

(C) ~~Exercise~~ taxes dedicated to a trust fund, if expiring, are assumed to be extended at current¹⁵³⁵ rates.

(3) HOSPITAL INSURANCE TRUST FUND. -- Notwithstanding any other provision of law, the receipts and disbursements of the Hospital Insurance Trust Fund shall be included in all calculations required by this Act.¹⁵³⁶

¹⁵³⁰ Section 3(9) of the Congressional Budget Act (see *supra* p. 18) defines "entitlement authority" to mean (at least for purposes of that Act) the authority described in section 401(c)(2)(C) of that Act (see *supra* p. 204). Section 250(c)(18) of Gramm-Rudman-Hollings (see *supra* p. 378) provides that all references to entitlement authority shall include the mandatory appropriations accounts listed *supra* note 1162.

¹⁵³¹ Section 250(c)(13) defines "current year." See *supra* p. 377.

¹⁵³² Section 250(c)(1) (see *supra* p. 372) defines "outlays" at least in part by reference to the definition of section 3(1) of the Congressional Budget Act. See *supra* p. 11.

¹⁵³³ Section 250(c)(12) defines "budget year." See *supra* p. 377.

¹⁵³⁴ Section 250(c)(14) defines "outyear." See *supra* p. 377.

¹⁵³⁵ Section 250(c)(9) defines "current." See *supra* p. 376.

¹⁵³⁶ The "notwithstanding" clause of this paragraph refers to (perhaps among other provisions) section 710(a) of the Social Security Act, which was intended to take the Medicare Hospital Insurance Trust Fund off budget beginning with fiscal year 1993.

Through fiscal year 1992, section 710(a) of the Social Security Act provides:

§ 911. Budgetary treatment of trust fund operations

(continued...)

1536 (...continued)

(a) Federal Old-Age Insurance

The receipt Insurance Trust Fund the taxes imposed shall not be included Government as such shall be exempt from expenditures and interest.

42 U.S.C. § 911(a) (1988)

Beginning with fiscal year 1992, Hospital Insurance Trust Fund receipts shall appear beginning in fiscal year 1992 through fiscal year 1992:

(a)(1) The Survivors Insurance Fund, and the Federal Old-Age Insurance Fund, under sections 1401 in the totals of the the President or of general budget fund (budget outlays) of

(2) No provision of an appropriate chapter as in effect general fund of the payments from any

42 U.S.C. § 911(a) (1988)

Section 346(b) of 346(b), 97 Stat. 138 (App. infra pp. 589-589) requires beginning with fiscal year

Note that one of Budget Act, which applies section 710(a) and to re-budget even after fiscal year 1992. Gramm-Rudman-Hollings added as the last amendments

Does section 257(c)

7 67



Washington D.C. Liaison Office
Forrestal Building, Room 8G-061
1000 Independence Avenue, S.W.
Washington, D.C. 20585

8:25pm -
Thursday

TO: Jim Carter - # 1
Steve Hokek # 3
(Rev. B. B. B. B. B.)

Phone: _____
Fax: _____

COPY ALSO SENT TO:

x Jeff Stier (DC)

Date: 6/21/2001
Number of Pages including cover sheet: 4

FROM:

- ☐ Jeff Stier
- ☒ Roger Seifert
- ☐ Nicole Morgado
- ☐ Crystal Ball
- ☐ Bill Marlowe
- ☐ Sharon Jones
- ☐ Niki Moore

Phone: (202) 586-5640
FAX: (202) 586-6762 or 6763
Internet: _____@bpa.gov

☐ URGENT ☐ REVIEW/COMMENT ☐ REPLY ASAP ☒ FYI

REMARKS: Jim/Steve - these are the
CBO survey numbers we talked
about this evening.

Roger Seifert

1 of 4

To : Fax#5866762

Fax Number :

Date : 06/21/2001

Pages : 3

Please deliver to Roger
ASAP

Thanks

Fax Cover Sheet

Increasing the Borrowing Authority of the Bonneville Power Administration

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
3A	50	150	387	497	160
OT	10	55	170	335	385

2002-2006 Sum	
3A	1,184
OT	955

2002-2011	
BA	1176
OT	1562

3

Memo

To: Lesley Turner, Office of Congressman Norman Dicks
From: Lisa Cash Driskill
Date: June 21, 2001
Subject: Draft amendment on additional borrowing authority for the Bonneville Power Administration (BPA)

I have reviewed BPA's proposed language to increase their ceiling on borrowing authority by \$2 billion. At the current time, that language is incomplete (see attached). For that reason, the following assumptions/caveats apply:

1. The proposed additional borrowing authority would be limited to uses currently available to BPA.
2. Such authority will be used for the purposes similar to those outlined in the June 7, 2001 BPA presentation, "Capital and Financing Requirements."

Given those assumptions, I would estimate an increase of borrowing authority in the amount of \$2 billion as shown on the following page. There are a few things to keep in mind when looking at the table. First, the remaining new borrowing authority is spent out beyond the five year window shown. Amounts shown include receipts to the government to pay back the borrowing authority. Such payments begin in 2004 and continue for many years. A few more items to keep in mind are:

- By increasing the ceiling of borrowing authority, BPA spends its current borrowing authority in 2002 and 2003 more quickly than expected under current law.
- Under BPA's current plan, they would not exceed the \$3.75 billion cap in borrowing authority during the 2002-2006 period.
- With additional borrowing authority provided, BPA anticipates that it will cross the \$3.75 billion cap in 2004.

I am happy to discuss this issue further. Please call me at 202-226-2860.

4 of 4



Washington D.C. Liaison Office
Forrestal Building, Room 8G-061
1000 Independence Avenue, S.W.
Washington, D.C. 20585

(2 faxes sent)

6:50pm et.-

TO: ~~Steve Haskok~~
Steve Haskok
Tom Curtis

PHONE: 503-230-5101

FAX:

COPY ALSO SENT TO:
cc - Mary Iturbide
Dave Burroughs
Sue Sandford
Jeff Stier

DATE: 12/12/01 Wednesday

Number of Pages including cover sheet: 7

FROM: ☐ Jeff Stier
☒ Roger Seifert
☐ Crystal Ball
☐ Bill Marlowe
☐ Sharon Jones
☐ Niki Moore

PHONE: (202) 586-5640
FAX: (202) 586-6762 or 6763
INTERNET: @bpa.gov

Just Received -

☐ URGENT ☐ REVIEW/COMMENT ☐ REPLY ASAP ☒ FYI

REMARKS: This is the FY2003 OMB passback of the DOE appeal to the 1st OMB passback. Result - Administration will propose a \$700 million increase in BPA's permanent indefinite borrowing authority in the FY2003 Congressional Budget Submission. There are some OMB conditions: private financing encouragement, 5-year plan OMB and DOE approval, subject to annual budget review. Tech Comm. Free project endorsement, limited to authorized purposes and most efficient option used. The authority requested would not be subject to appropriations. DOE did not actually request an amount for their appeal. That is now apparent (see p. 7). *Rel. 1 of 1*

Henderson, Lynwood

From: Carnes, Bruce
Sent: Wednesday, December 12, 2001 3:03 PM
To: Edwards, Christina
Cc: Henderson, Lynwood; Hodson, Patricia
Subject: FW: Forgot one item

~~-----Original Message-----~~

From: Marcus_Peacock@omb.eop.gov [mailto:Marcus_Peacock@omb.eop.gov]
Sent: Wednesday, December 12, 2001 1:56 PM
To: bruce.carnes@hq.doe.gov
Subject: Forgot one item

Forgot to mention we will be proposing \$700m in BPA borrowing authority not subject to approps. My staff, I understand, are working with your folks on the hoops BPA has to go through to spend the money.

I have asked our leg affairs shop to work on how this can be rolled out in the best possible way, if you know what I mean.

**ENERGY, SCIENCE AND WATER DIVISION****ENERGY BRANCH****725 17th Street, N.W., Room 8025****Washington, D.C. 20503****(202) 395-3634****Fax: 395-1086 OR 395-3165**

Kevin Carroll, Michael Holland, Lori Krauss, Maria Mikitka,
John Pfeiffer, Donovan Robinson, Robert Sandoll, Cyndi Vallina
and Edith Hopkins

To: Bruce Carnes Date: 12/12/01

Fax #: 586 - 7366 Pages: 5 including this cover sheet.

From: Donovan Robinson

Subject: Details on FY03 Settlement

COMMENTS: Per your request.

Department of Energy
(BA in millions)

	FY 2001	FY 2002	FY 2003		
			Request	Passback	PAD
					Delta to Passback
					Appraisals
					PAD Rec.
Environmental Quality					
Environmental Management	7,299	7,259	7,888	6,726	921
	6,782	6,715	7,282	6,047	921
Energy Resources	2,485	2,752	2,744	2,430	400
Fossil Energy R&D	838	625	632	487	200
Renewable Energy Resources	975	396	423	322	101
Energy Conservation	813	913	502	889	13
Strategic Petroleum Reserve	141	171	169	169	14
Nuclear Energy (incl. Spent Fuel Pyroprocessing)	294	300	286	200	86
Sciences & Technology	3,189	3,241	3,217	3,338	0
National Security (other Defense Activities)	399	358	395	398	36
Nuclear Safeguards & Security (Op. Support)/CIP	N/A	N/A	45	47	36
Corporate Management Information Program	N/A	10	20	20	0
Corporate Management	106	105	109	114	-5
All Other	-50	-58	-34	-35	0
Subtotal, DOE	13,428	13,657	14,319	12,971	1352
Additional Bonneville Borrowing Authority					260
Total, DOE					700
					980

Decisions on Department of Energy Appeals

Energy Efficiency/Renewable Energy: Provide \$98 million above passback for a total funding level of \$1,309 million (same as FY 2002 enacted). Provide \$13 million for Energy Conservation (fully funds request, including Petroleum Refining Vision) and \$85 million for Renewable Energy Resources (short of request by \$16 million). Cut EERE's Renewable Energy Resources request as follows:

Reduction from Request	Program	Justification
-\$4 million	Biomass/Biofuels Energy Systems	Congress earmarked 39 percent of these funds in FY 2002.
-\$5.5 million	Hydropower	EERE's request (\$13 million) more than doubled FY 2002 enacted (\$5 million). Decision level (\$7.5 million) represents a 50 percent increase.
-\$6.5 million	National Renewable Energy Lab (no construction of the Science and Technology Facility)	EERE does not need construction funding in FY 2003 because A&E work will not be completed until the third quarter of FY 2003. Moreover, the final detailed cost estimate will not be completed until August 2002. EERE should complete a Capital Asset Plan ("Exhibit 300" in OMB Circular A-11) for the project.
-\$16 million	Total	

Nuclear Energy: Add \$26,094 million to passback for a total funding level of \$226,094 million. The additional funding includes:

- \$10 million for Spent Fuel Pyroprocessing;
- \$6 million for Advanced Radioisotope Power Systems;
- \$4.5 million for Early Site Permit and combined Construction/Operating License activities proposed for Nuclear Power 2010 (The remainder of this project should be funded by industry.);
- \$3.5 million for Generation IV research projects (DOE participation should be peer-reviewed and competitively bid and based on a comprehensive research plan approved by the Nuclear Energy Research Advisory Committee and wholly consistent with the Administration's R&D investment criteria.); and
- \$2,094 million for Isotope Facilities Infrastructure (No funding is provided for the Advanced Nuclear Medicine Initiative.)

Fossil Energy R&D & Clean Coal Technology: Total budget authority of \$481 million. Coal funding will be consolidated in the President's Coal Research Initiative at \$278 million, which is \$14 million (5 percent) above the FY 2002 request. Consolidation of the accounts will also free up over \$500 million in balances that had been languishing in the "old" Clean Coal Technology account. Other funding levels are unchanged from passback.

Environmental Management: Add \$116 million to passback for a total level \$6,163 million. These resources provide additional funding for Savannah River (+\$36 million to \$1,009 million) to vitrify radioactive waste and stabilized nuclear materials, and for Hanford (+70 million to

5

\$1,602 million) to accelerate site closure. Also, the increase includes \$10 million, same as FY 2002 enacted, to continue research on beneficial uses of DUF6 conversion products and preparation of National Environmental Policy Act documents. The DUF6 funding will be offset by funds available from the May 18 and June 30, 1998, Memoranda of Agreement between DOE and USEC.

Bonneville Power Administration: The Director agreed to increase BPA's borrowing authority by \$700 million in mandatory funding. BPA, DOE and OMB need to agree on criteria as a condition of BPA using the authority. OMB proposed criteria encourage private financing of projects, require an OMB and DOE approved five-year plan, subject the borrowing to annual budget review, require the Infrastructure Technical Review Committee or the succeeding RTO to endorse the projects, limit borrowing to authorized purposes, and require the most efficient option for achieving the objective.

Bonneville Power Administration (BPA) -- New Borrowing Authority
(Dollars in Millions)

Passback	Appeal	Recommendation BA	Outlays			
			2003	2004	2005	2006
\$0	unspoc.	\$700	123	250	264	63

Appeal: Bonneville appeals an unspecified amount of new borrowing authority to be added to the current \$3.75 billion ceiling.

Proposed Resolution: Increase BPA's borrowing authority by \$700 million. (The estimated outlay stream is based on a prior BPA request for additional authority and does not reflect Bonneville's estimates for spending of the \$700 million.) In addition, as part of an agreement to provide additional borrowing, Bonneville will need to meet the following criteria for use of the additional amount:

- BPA will encourage private or joint-financing of all of its future transmission system upgrades and other investments, and will report to DOE on its evaluation of opportunities for private or joint-financing of the costs of such investments before using its borrowing authority for any such projects.
- The Office of Management and Budget must approve a five-year investment plan submitted by BPA through the Department of Energy (DOE), which covers the period over which borrowing is proposed to occur. The amount of borrowing for specific projects and the timing of funding those projects are subject to review as part of the process of approving the investment plan.
- The use of borrowed funds is subject to OMB review and approval as part of the development of each President's budget. DOE's annual budget submission will include a detailed justification of BPA's proposed investments for the budget year and future years.
- Use of borrowing will be limited to currently authorized purposes.
- The proposal must be endorsed by the Infrastructure Technical Review Committee or its successor within the northwest Regional Transmission Organization.
- The project must be the most cost effective option for achieving the objective.

(7) 87

Department of Energy

Summary Appeal Ranking Sheet

Priority Ranking

Appeal Amount	Cumulative Total
---------------	------------------

1 Bonneville Power Administration, borrowing authority

+2,000,000,000 5,750,000,000

Department of Energy

Bonneville Power Administration

(dollars in thousands)

	Existing Permanent Borrowing Authority	FY 2003				Revised Request
		Request	OMB Passback	Passback vs. Request	Appeal Amount	
BPA's borrowing authority	3,750,000,000	2,000,000,000	—	-2,000,000,000	2,000,000,000	2,000,000,000
Total, Bonneville Power Administration	3,750,000,000	2,000,000,000	—	-2,000,000,000	2,000,000,000	2,000,000,000

Summary of Passback

"No increase in BPA's statutory borrowing authority ceiling is provided. BPA and DOE have not provided the information that OMB requested, beginning in July 2001, concerning BPA's plans for conducting and funding its capital investment activities."

Appeal Justification

BPA strongly appeals OMB's proposed non-support of a \$2 billion increase in BPA's borrowing authority.

BPA seeks assurance of access to capital for its full 10 year infrastructure program in its FY 2003 budget request. These investments are needed to help ease the West Coast energy crisis and help meet the region's long-term power and transmission infrastructure requirements. BPA's use of that authority stands at \$2.7 billion. Its infrastructure program will cause the agency to reach the ceiling in late 2003 or early 2004. Completion of the program will require the ceiling to be raised to \$5.75 billion. BPA's current borrowing authority is \$3.75 billion

This infrastructure is essential not only for reliable load service and facilitation of a well-functioning wholesale power market, but just as importantly to improve the system's resiliency to withstand unplanned outages due to equipment failure, storms, or sabotage.

Department of Energy

Bonneville Power Administration

OMB's support of \$383 million in net use of borrowing authority for FY 2003 without supporting the overall increase in the borrowing ceiling permits the full infrastructure program to proceed in FY 2003. However, OMB agrees that proceeding with the full infrastructure program would exhaust BPA's existing borrowing authority by the end of FY 2003 or early in FY 2004. This problem should be addressed in the FY 2003 budget by providing the increase in borrowing authority. This increase in BPA's borrowing authority is needed to ensure funding certainty of critical multi-year projects. Beginning the projects without certain funding would be imprudent.

As an alternative to the \$2 billion request, an increase of \$1.3 billion in BPA's borrowing authority would enable BPA to proceed with its capital infrastructure investments through 2006 and would include adequate transmission capacity for generation currently under construction by private developers.

BPA will actively solicit non-federal participation in its major transmission infrastructure projects. However, getting the private sector interested in funding a particular infrastructure project may be difficult since many of the infrastructure projects are interdependent. Also, if it's a public-private partnership arrangement, BPA will be responsible for providing part of the capital resources. Without these assurances, the private sector may be reluctant to assume financial responsibility.

BPA has provided several presentations and responses to information requests concerning its FY 2003 OMB Budget Submission and infrastructure program. In June and July BPA made presentations to OMB and followed up with numerous supplemental briefing materials as outlined in its November 14th memo to DOE. The November 14th memo was in response to a October 30 request for information to DOE from Marcus Peacock. The memo also included a detailed explanation of BPA's borrowing authority and capital budgeting process, detailed analysis supporting the infrastructure program, a status report on BPA's fiber-optic cable plan, and additional supporting documents. A November 21 BPA memo was sent to Dr. Carnes as a follow-up to several additional questions regarding BPA's infrastructure investments and funding strategies.

Department of Energy

Bonneville Power Administration

BPA borrowing is repaid by BPA from BPA ratepayer revenues. BPA expenditures neither create a demand for additional federal taxes nor place any burden on federal appropriated or trust fund activities. The principal on all BPA capital-borrowing costs is fully repaid to the U.S. Treasury and with legally required, market determined interest.

Offsetting Reductions

This is not applicable to the Administrator's budget. BPA's statutory authorities provide for full recovery of costs through revenues of the Federal Columbia River Power and Transmission System. BPA's budget is considered non-discretionary.

Presidential Initiatives

An increase in BPA borrowing authority supports the goals of the President's National Energy Policy by relieving transmission system congestion, enabling the development of privately owned generating resources, and encouraging the efficient use of energy. In addition, transmission infrastructure investments will allow BPA to better protect the security and reliability of the federal transmission system in keeping with Presidential Decision Directive 63. Power infrastructure investments will enhance the preservation of an existing, efficient generation system. The accelerated construction program that would be supported by this borrowing authority constitutes one of the most effective means of federal economic stimulus, and in this case can be provided without net taxpayer outlays.

Priority

The Administrator's appeal is critical in that the Administrator has a legal obligation to integrate and transmit the power from existing and additional federal and non-federal power plants in the Pacific Northwest, to provide adequate service to the agency's Northwest utility and industrial customers, to reinforce inter-regional connections to the Northwest grid, to assure electrical stability and reliability of the federal system, and in addition, to support and carry out the goals of the President's National Energy Policy.



Department of Energy
Washington, DC 20585

November 14, 2001

MEMORANDUM FOR: UNDER SECRETARY FOR NUCLEAR SECURITY/
ADMINISTRATOR FOR NATIONAL NUCLEAR SECURITY
UNDER SECRETARY FOR ENERGY, SCIENCE AND
ENVIRONMENT
HEADS OF HEADQUARTERS ELEMENTS

FROM: BRUCE M. CARNES, DIRECTOR, OFFICE OF
MANAGEMENT, BUDGET AND EVALUATION/CFO

SUBJECT: Status of FY 2003 OMB Passback

The Office of Management and Budget has indicated that passback for Energy Programs should be transmitted to the Department on Monday, November 26, 2001. NNSA programs will receive passback sometime early to mid December. Currently, we do not have information on when appeals are due back to OMB. However, the OMB appeal process has been very short in the past, approximately 3-5 business days.

An exceedingly short turn around process necessitates a schedule with deadlines for submissions and decisions at specific hours each day. It is important that you meet each scheduled deadline if you want your appeals to be considered.

You should plan to be available, probably in the evening, on November 26 to make decisions on which items you propose to appeal. Likewise, you need to assure that your staff meets the deadlines for submission of written appeals so the Secretary has the information he needs to make his decisions on appeals. For planning purposes, I have attached a schedule that anticipates a 5-day OMB appeal process. The Office of Budget will issue detailed instructions to your program budget contacts upon receipt of OMB guidance.

Your personal attention to this process will ensure we produce the best product possible within this limited timeframe.

Attachment

cc: Deputy Secretary
Chief of Staff

RECEIVED BY BPA ADMINISTRATOR'S OFC-LOG #: 01-0634
RECEIPT DATE: 11-14-01
DUE DATE: 11-28-01

Assign: DF
cc: A-7, D-7, KN, L, P, T



DEPARTMENT OF ENERGY
FY 2003 OMB PASSBACK/APEAL PROCESS
Calendar of Events

- | | | |
|---------------|-----------|--|
| Mon, Nov 26 | - | OMB issues passback to the Department. |
| | - | CFO briefs senior management and obtains preliminary appeals guidance. |
| | - | CFO distributes passback appeal guidance and budget control table to program offices. |
| Tue, Nov 27 | 8:00 am - | Program offices notify Office of Budget of their intent to appeal including the particular program activities and amounts to be appealed. <u>Programs will also submit a Summary Appeal Ranking Sheet to show appeal priority.</u> |
| | 2:30 pm - | CFO provides flash report to Secretary on appeals. |
| Wed, Nov 28 | 8:00 am - | Program offices hand-carry appeal documents and disk (or e-mail) to the Office of Budget. Programs must have cleared appeals with their Under Secretary prior to submitting to the Office of Budget. |
| | 2:00 pm - | Office of Budget prepares consolidated appeal package. |
| | 4:00 pm - | CFO briefs Principals on consolidated appeal package. |
| Thurs, Nov 29 | 8:00 am - | Secretarial decisions are provided to program officials. |
| | 2:00 pm - | Program offices submit adjusted appeal documents to the Office of Budget. |
| Fri, Nov 30 | COB - | The Department delivers appeal to OMB. |

1-1/c

Stauffer, Nicki - A-7

From: Stier, Jeffrey K - KN-DC
Sent: Wednesday, October 03, 2001 10:20 AM
To: Wright, Stephen J - A-7; VanZandt, Vickie - TO; Silverstein, Brian L - TOP-DITT2; Roach, Randy A - L-7; Maher, Mark W - T-DITT2; Johnson, Frederick M- TF-DOB1; Hickok, Steven G - D-7; Curtis, Jim - DF-2; Majkut, Paul S - LC-7
Cc: Stauffer, Nicki - A-7; Seifert, Roger - KN-DC; Baskerville, Sonya L - LC-7; Ball, Crystal A - KN-DC
Subject: FW: BPA Provision in OMB's Statement
Importance: High



DOE Comments

onSAP10-3 rev1 do...

Here's DOE's response to OMB's proposed Statement of Administration Policy. Frank Blake and Bruce Carnes will apparently be talking to OMB during the day. Also some NW Republican Senate and House members plan to call Mitch Daniels on this. Finally - I e-mailed Bob McNally and Andrew Lundquist and asked for some help on this from the White House. We'll see if any of this pays off.

More news as it comes our way...

-----Original Message-----

From: Aiken, Richard [mailto:Richard.Aiken@hq.doe.gov]
Sent: Wednesday, October 03, 2001 1:02 PM
To: 'Jeffrey Stier'
Subject: FW: BPA Provision in OMB's Statement

My e-mail confirmed what I verbally told her.

-----Original Message-----

From: Gale Kabat
Sent: Wednesday, October 03, 2001 1:06 PM
To: Aiken, Richard
Cc: CN=Christina Edwards/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;
<mailto:Edwards/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;> CN=Lynwood
Henderson/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;
<mailto:Henderson/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;> Huey, Dave; Luczak,
Joann; Moss, Adrienne; Pafe, Robert
Subject: RE: BPA Provision in OMB's Statement

Thanks, Rich. Here is what I just provided
to Bob Pafe, CR-10.

Gale

Richard Aiken@HQMAIL <mailto:Aiken@HQMAIL>
10/03/01 12:51 PM

To: Gale Kabat/CR/DOE@CRDOE@HQMAIL
<mailto:Kabat/CR/DOE@CRDOE@HQMAIL>
cc:
Subject: RE: BPA Provision in OMB's Statement

I will have a more definitive answer in a minute, but in the meantime use:

- \$1.3 billion
- Federal Columbia River power and transmission system investments

in your response if I don't get back to you in time.

-----Original Message-----

From: Gale Kabat

Sent: Wednesday, October 03, 2001 12:19 PM

To: CN=Richard

Aiken/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES

<mailto:Aiken/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES>

Cc: CN=Christina

Edwards/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;

<mailto:Edwards/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;> CN=Lynwood

Henderson/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;

<mailto:Henderson/O=HQ-EXCH/C=US@HQDOE@CRDOE%HQ-NOTES;> Huey, Dave; Luczak, Joann; Moss, Adrienne

Subject: BPA Provision in OMB's

Statement

Rich -

After our meeting I drafted DOE's response to the BPA provision in the Statement of Administration Position on the Energy and Water bill. The text in bold needs to be updated depending on the outcome of your meeting with Dep Sec Blake.

In addition, I've added language that objects to the transfer of \$4.9 million from Western's programs to the Utah Reclamation Mitigation and Conservation Fund.

Gale

6-2469

<< File: DOE Comments onSAP10-3.doc >>

<<DOE Comments onSAP10-3 rev1.doc>>

Comments under Bonneville Power Administration

In addition, the Administration objects to the Senate bill's \$2.0 billion increase in borrowing authority for the Bonneville Power Administration (BPA). The Administration would support an increase of \$1.3 billion in new BPA borrowing authority for power and transmission system investments that BPA has identified. However, the Administration opposes making the use of Bonneville's new authority subject to future annual appropriations, as provided in the Senate-passed bill. This would make it much more difficult to fund long-term investments with the level of certainty needed by private sector rate-paying customers and cost-sharing partners and would be inconsistent with long-standing statutes.

10/3/01 11:44 AM

Sandford, Sue - DFF-2

From: Federovitch, Michael - TMF-MODD
Sent: Tuesday, November 06, 2001 3:58 PM
To: Balthazar, Linda M - TMF-MODD; Boyle, Sharon M - TMF; Campos-Alvis, Joel - TMF-MODD; Cronholm, James - TMF-MODD; Fredrickson, Rebecca - TMF-MODD; Hunter, Kathy D - TMF-MODD; Lee, Louis - TMF-MODD; O'Rourke, Jan - TMF; Radcliff, Madonna - TMF-MODD; Taylor, Eric K - TMF-MODD; Weller, Brenda - TMF/MODD; Wheelon, Burton C. - TMF
Subject: FW: Congress Dams BPA's Hopes For \$2 Billion Line Of Credit

Other thoughts?

-----Original Message-----

From: Silverstein, Brian L - TOP-DITT2
Sent: Tuesday, November 06, 2001 3:37 PM
To: Raschio, Mike - TM-Ditt2; Meyer, Charles - TM-DITT2; Johnson, Frederick M- TF-DOB1
Cc: VanZandt, Vickie - TO; Altman, Brian - TMC-DITT2; Driessen, Laurens C - TNP-TPP-3; Bennett, Ruth - TM-DITT2; Quinata, John F - TOE-DITT2; Matthews, Chuck - TOP; Federovitch, Michael - TMF-MODD
Subject: RE: Congress Dams BPA's Hopes For \$2 Billion Line Of Credit

I think the simple answer is that we can not make the guarantee that the developers are requesting. Until we have the ROD and funding is assured, the Administrator can not make commitments. If the developer is concerned, perhaps we should begin discussions on advance financing by the developer to be repaid by BPA as a credit against their wheeling bill (as discussed in the FERC ANOPR on Generation Interconnection, Attachment B - Pricing, Items 2 and 3).

Below is a response we've used for previous inquiries.

Q. What will BPA do if does not secure additional borrowing authority at this time?

A. BPA, like all businesses, must have alternative plans in case things do not turn out as planned. Funding options include third party investment or financing for projects and extension of BPA debt repayment. These alternatives will likely lead to higher costs. If adequate funding is not available, BPA would defer some projects. Delaying transmission increases the potential for power outages and frustrates private sector development of needed new generation. Specific actions will be determined as needed.

-----Original Message-----

From: Raschio, Mike - TM-Ditt2
Sent: Tuesday, November 06, 2001 12:19 PM
To: Meyer, Charles - TM-DITT2; Johnson, Frederick M- TF-DOB1; Silverstein, Brian L - TOP-DITT2
Cc: VanZandt, Vickie - TO; Altman, Brian - TMC-DITT2; Driessen, Laurens C - TNP-TPP-3; Bennett, Ruth - TM-DITT2
Subject: FW: Congress Dams BPA's Hopes For \$2 Billion Line Of Credit

I need some help in answering Newports questions below for their Wallula power project. please provide comments. Can we assure them in writing that their project will not be affected?

-----Original Message-----

From: Noll, Scott [mailto:snoll@newportgen.com]
Sent: Tuesday, November 06, 2001 12:03 PM
To: Michael A. Raschio (E-mail); Stephen J. Wright (E-mail)

Cc: Le Clerc, Stephen
Subject: Congress Dams BPA's Hopes For \$2 Billion Line Of Credit

<<Congress Dams BPA 11-02-01.doc>>

Dear Mike:

The attached article explains that the Bush Administration (presumably the OMB) removed a provision from an energy bill that would have authorized an additional \$2billion in BPA Borrowing Authority for infrastructure investments. We submitted a letter to OMB in support of BPA's request, with copies to Stephen Wright, the Administration and the PNW Congressional delegation. According to the article, the Administration has argued that the BPA is adequately funded through 2003 and is free to come back for another request later. We need an official response from BPA indicating that the G3 and G5 projects at a minimum are adequately funded and will not be put on hold due to this most recent development. We need confirmation that BPA intends to proceed with the design and permitting activities, and that upon issuance of the ROD it intends to offer the construction, interconnection, and firm PTP transmission contracts to Wallula Generation, LLC. Steve LeClerc indicated to me that you assured him that BPA's existing borrowing authority would cover the G1-G9 projects.

Could you please write us an e-mail and letter confirming the adequacy of BPA's borrowing authority to complete the G1-G9 projects, and BPA's intent to proceed with the permitting and contracting activities for the G3 and G5 projects. You can certainly appreciate our concern given the amount of risk development \$ we have and continue to expend for the Wallula Power Project including BPA work, equipment payments, permitting, etc. Please give me a call if you anticipate any problems in responding timely to this request.

Sincerely,

Scott A. Noll
Vice President-Development
Newport Generation, Inc.
(office) (949) 823-3004
(fax) (949) 823-3050

Stauffer, Nicki - A-7

From: Taves, John - KR-7C
Sent: Friday, April 19, 2002 2:04 PM
To: Mahar, Dulcy - KC-7; Pynch, John - PN-1; Norman, Paul - P; Wright, Stephen J - A-7; Olds, Peggy A - T-DITT2; Jackson, Melanie M - T-DITT2; Perino, Audrey - PMF-6; Banks, Jill - CCB-4; Benson, Cheri L - KC-7; Esvelt, Terry - C-4; Maher, Mark W - T-DITT2; Dowty, Phyllis M - PL; Berwager, Syd - PT-5; Ball, Crystal A - KN-DC; Kinsey, Bill - LC-7; Cooper, Suzanne B - PGP-5; Lebens, John - PSW-6; Cheney, Katherine - PGP-6; Ellis, Liz M - KEC-4; Weedall, Michael J - PN-1
Subject: FW: final text of NRDC Green Scissors letter



greenscissorsdraft2.doc

This is a copy of the letter from Ralph Cavanagh referenced in item 4 of my weekly report. It was not available at the time the report was initially distributed.

John

-----Original Message-----

From: Cavanagh, Ralph [mailto:rcavanagh@nrdc.org]
Sent: Friday, April 19, 2002 1:12 PM
To: jmtaves@bpa.gov
Subject: final text of NRDC Green Scissors letter

Here is the final text of the letter that NRDC is sending to BPA today regarding the Green Scissors report.

<<greenscissorsdraft2.doc>>

April 19, 2002

Steve Wright
Administrator
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208

Dear Steve,

I have gotten several calls about whether NRDC supports a call for Congress to reject increased borrowing authority for BPA. That recommendation appears on page 7 of a report entitled Green Scissors 2002, along with a disclaimer that the authors (including NRDC) do not necessarily endorse every recommendation in the report. I write to affirm emphatically that this is a case where the disclaimer applies. Although NRDC strongly supports most of the Green Scissors agenda, we do not agree with the report's conclusion that increased BPA borrowing authority will damage the environment and harm taxpayers. We note the agency's commitment under your leadership to expanded investment in energy efficiency and renewable energy, along with your commendable decision to undertake fundamental changes in transmission planning that will ensure full consideration of non-transmission alternatives to new high voltage lines in response to congestion and reliability problems. BPA is one of the principal reasons for the Northwest's windpower renaissance, and BPA investment has been and will be crucial to restoring momentum for cost-effective energy conservation throughout the Northwest. We hope that Congress approves the Administration's request for new BPA borrowing authority, and we look forward to working with you and your BPA colleagues to ensure that these investments meet urgent Northwest environmental and reliability needs. Please feel free to use this letter to dispel any confusion on this very important matter.

Best regards,

Ralph Cavanagh
Director, Northwest Projects

Sandford, Sue - DFF-2

From: Gale Kabat [Gale.Kabat@hq.doe.gov]
Sent: Monday, January 28, 2002 3:30 PM
To: sasandford@bpa.gov
Cc: /S=mahawken@bpa.gov@internet@CRDOE/O=HQ-NOTES/P=USDOE/A=ATTMAIL/C=US/;
 /S=reseifert@bpa.gov@internet@CRDOE/O=HQ-NOTES/P=USDOE/A=ATTMAIL/C=US/
Subject: RE: FY 2003 Congressional Files with Minor Changes



08Pwrcap2 rev1.pdf



09Transcap rev1.pdf



11Capeq rev1.pdf



12PWREXP rev1.pdf



13Transexp rev1.pdf



14INTEXP rev1.pdf

4Corporate Context
rev1.pdf

5Exec Sum rev1.pdf



18bp4prop.pdf

Sue -

I just received this message along with the emails that you and Mary sent me on Friday, January 25th that had the final BPA FY 2003 Congressional budget!

Also, I was able to replace the incorrect "BPA-4" pages with the corrected version. The PMA volume has now gone to the printer (6:15 p.m.).

Gale

<sasandford@bpa.gov>
 01/28/2002 02:59 PM

To: Gale_Kabat/EE/DOE%CRDOE@hr.doe.gov@internet@HQMAIL, exch=SMTP:reseifert%
 bpa.gov%internet@hr.doe.gov@hq-exch@HQMAIL, gale.kabat@hq.doe.gov@internet@HQMAIL
 cc: exch=SMTP:mahawken%bpa.gov%internet@hr.doe.gov@hq-exch@HQMAIL,
 karen.elwell@hq.doe.gov@internet@HQMAIL, roy.craig@hq.doe.gov@internet@HQMAIL
 Subject: RE: FY 2003 Congressional Files with Minor Changes

Gale,
 Attached are the revised PDF files. I will send these files to the email address you mention below (gale.kabat@hq.doe.gov) which is the one I used on Friday that didn't reach you. I will also send this message to your email address that comes across when you send a message to me (Gale_Kabat/EE/DOE%CRDOE). Hopefully one of these will get through. Roger, Karen and Roy will be there for backup if needed.

I am also sending a revised file 18BP4proposed. If possible, we would like to have this file inserted instead of the file sent Friday.

NOTE: I am having trouble converting file 6mission to PDF. While our IT folks are working on it, I will send the rest. As soon as I have the last file converted I will send it also. Sue

-----Original Message-----

From: Gale_Kabat/EE/DOE%CRDOE

[mailto:Gale_Kabat/EE/DOE%CRDOE@hr.doe.gov]

Sent: Monday, January 28, 2002 10:26 AM

To: reseifert

Cc: mahawken; sasandford; Karen Elwell; Roy Craig

Subject: FY 2003 Congressional Files with Minor Changes

Here are the word files for which I had minor changes. Please convert to PDF files and email back to me, Karen Elwell and Roy Craig.

I never did receive your email with the final. Check my address:

gale.kabat@hq.doe.gov

Thanks

(See attached file: 08Pwrcap2 rev1.doc)(See attached file: 09Transcap rev1.doc)(See attached file: 11Capeq rev1.doc)(See attached file: 12PWREXP rev1.doc)(See attached file: 13Transexp rev1.doc)(See attached file: 14INTEXP rev1.doc)(See attached file: 4Corporate Context rev1.doc)(See attached file: 5Exec Sum rev1.doc)(See attached file: 6Mission rev1.doc)